

Texas Department of Saving and Mortgage Lending
SSB Rule Revisions
Effective January 2011

- A. Chapter 75. Subchapter A. Applications - 75.1(c)**
- B. Chapter 75. Subchapter C. Additional Offices – 75.34(a)(c) and 75.38(a)(c)**
- C. Chapter 77. Subchapter A. Authorized Loans and Investments – 77.73(e – h),
77.93(a)**
- D. Chapter 77. Subchapter B. Savings and Deposits – 77.113**

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Chapter 75. Subchapter A. Applications.

§75.1. Application for Permission to Organize a State Saving Bank.

(c) No application to incorporate a savings bank shall be approved unless the application and evidence produced at a hearing satisfy the commissioner that the proposed savings bank has received subscriptions for capital stock and paid-in surplus in the case of a capital stock savings bank, or pledges for savings liability and expense fund in the case of a mutual savings bank, in an amount not less than the greater of the amount required to obtain insurance of deposit accounts by the Federal Deposit Insurance Corporation or the amount required of a national bank. ~~in the minimum amount of \$3 million.~~ No savings bank with an approved charter shall open or do business as a savings bank until the commissioner certifies that he has received proof satisfactory to him that the amounts of capital stock and paid-in surplus, or the savings liability and expense fund, as set forth in this section, have been received by the savings bank in cash, free of encumbrance.

Chapter 75. Subchapter C. Additional Offices.

*§75.34. Loan Offices and Administrative Offices. – **EFFECTIVE JANUARY 6, 2011***

(a) Loan Offices. A savings bank may, to the extent authorized by its board of directors, establish or maintain loan offices or loan production offices that only service or originate (but do not approve) loans with the authority to take loan applications; originate; approve or make a credit decision; or accept payments on loans, unless such activity conflicts with state or federal law. A savings bank shall notify the commissioner in writing prior to the opening or closing of a loan office. Upon such notification, the establishment of such office shall be deemed an approved loan office of the bank. A loan office is not a branch.

(c) Deposit Production Offices. A savings bank may, to the extent authorized by its board of directors, establish or maintain a deposit production office of the bank. Such an office may solicit deposits, provide information about deposit products, assist persons in completing application forms and related documents to open a deposit account. However, the deposit production office may not receive deposits or pay withdrawals, or make loans to a savings bank customer and all such deposit or withdrawal activity must be performed by the savings bank customer either in person at the main office, branch office, or by mail, electronic transfer, or similar transfer method. A savings bank shall notify the commissioner in writing prior to the opening or closing of a deposit production office. A savings bank may use the services of, and compensate, persons not employed by the savings bank in its deposit production activities. Upon such notification, the establishment of such office shall be deemed an approved deposit production office of the bank. A deposit production office is not a branch.

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§75.38. Change of Home or Branch Office Location.

(a) A savings bank may not move its home office or any branch office beyond its immediate vicinity without prior approval of the commissioner. Immediate vicinity is the area included within a radius or distance of one mile from the present location of such office. Any relocation within the immediate vicinity as defined in this section will require the approval of the commissioner, if the office to be relocated has not been open for business at its present location for more than two years. If the existing office has been opened for more than two years, prior written notice shall be provided to the commissioner asserting the relocation is in the immediate vicinity.

(c) Each application for prior approval, or prior written notice, whichever is applicable, shall provide, the existing and new branch location's address; a description of the land and building to be built or leased and terms thereof; estimates of the cost of removal to and maintenance of the new location; whether any affiliated parties are involved in transactions regarding the purchase, sale, construction, or lease of the new proposed office; evidence of the bank board's approval of the relocation; and any other information as deemed necessary by the commissioner.

Chapter 77. Subchapter A. Authorized Loans and Investments.

*§77.73. Investment in Banking Premises and Other Real Estate Owned. – **EFFECTIVE JANUARY 6, 2011***

(a) – (d) *No Change.*

(e) Subject to (f) of this subsection, when real estate is acquired in accordance with (d) of this subsection, a savings bank must substantiate the market value of the real estate by obtaining an appraisal within sixty (60) days of the date of acquisition. An evaluation may be substituted for an appraisal if the recorded book value of the real estate is less than \$250,000.

(f) An additional appraisal or evaluation is not required when a savings bank acquires real estate in accordance with (d) of this subsection, if a valid appraisal or appropriate evaluation was made in connection with the real estate loan that financed the acquisition of the real estate and the appraisal or evaluation is less than one (1) year old.

(g) An evaluation shall be made on all real estate acquired in accordance with (d) of this subsection at least once a year. An appraisal shall be made at least once every three years on real estate with a recorded book value in excess of \$250,000.

(h) Notwithstanding any other provision of this section, the commissioner may require an appraisal of real estate if the commissioner considers an appraisal necessary to address safety and soundness concerns.

*§77.93. Authorized Subsidiary Investments. - **EFFECTIVE JANUARY 6, 2011***

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(a) Activities of a corporation performed directly or through one or more wholly owned or partially owned corporations or joint ventures, ~~without~~ with prior approval of the commissioner, shall consist of one or more of the following:

Chapter 77. Subchapter B. Savings and Deposits. – *EFFECTIVE JANUARY 6, 2011*

§77.113. Overdraft Protection – Credit and Debit Cards. A savings bank which permits withdrawals from transactional accounts, may offer in connection with such accounts, overdraft protection to account holders in the form of revolving loans and may offer revolving triparty arrangements (credit and debit cards) under Chapter 346 of the Finance Code. The total net amount advanced at any time to any one accountholder, without overdraft protection, shall not exceed \$10,000.